

REMARKS/ARGUMENTS

Status of the Claims

Claims 1-10, 12-18 and 20-22 are currently pending in the application. Claims 1, 12, and 20 have been amended. No claims have been added or cancelled. Therefore, claims 1-10, 12-18 and 20-22 are present for examination. Claims 1, 12, and 20 are independent claims. No new matter has been added by the amendments.

Prior to entry of this amendment, the application included claims 1-10, 12-18 and 20-22. A non-final office action mailed September 24, 2008 has rejected claims 1-10 and 20-22 under 35 U.S.C. § 112, first paragraph, as based on a disclosure which is not enabling. Claims 1-10, 12-18 and 20-22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,557,518 to Rosen ("**Rosen**") in view of U.S. Patent No. 5,920,847 to Kolling et al. ("**Kolling**") and Applicant Admitted Prior Art ("**AAPA**").

35 U.S.C. §112 Rejection

Claims 1-10 and 20-22 under 35 U.S.C. § 112, first paragraph, as based on a disclosure which is not enabling. Claims 1, 12, and 20 have been amended to add an alternate "if" condition. The Examiner is respectfully requested to withdraw this rejection.

35 U.S.C. §103 Rejection, Rosen in view of Kolling and AAPA

Claims 1-10, 12-18 and 20-22 have been rejected under 35 U.S.C. 103(a) as being unpatentable over Rosen in view of Kolling and AAPA. Applicants respectfully request reconsideration of the rejection because the Examiner has failed to show a *prima facie* case of obviousness. To establish a *prima facie* case of obviousness, all claim limitations must first be taught or suggested by the prior art. *See, e.g., DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1360 (Fed. Cir. 2006). "All words in a claim must be considered in judging the patentability of that claim against the prior art." M.P.E.P. § 2143.03 (*citing In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970)). The Examiner must then provide an explicit analysis supporting the rejection. *See KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741 (2007) ("a patent composed of several elements is not proved obvious

merely by demonstrating that each of its elements was, independently, known in the prior art"). While the Examiner can choose one of several exemplary rationales from the MPEP to support an obviousness rejection under *KSR*, all the rationales still require the Examiner to demonstrate that all the claim elements are shown in the prior art. See MPEP § 2143, Original Eighth Edition, August 2001, Latest Revision July 2008.

Claim 1:

Missing Limitations:

First, the Examiner has failed to even mention several of the claim elements in claim 1. The Examiner makes no mention of or does not reject one or more portions of the claim elements of "providing a third account, the third account not associated with either the first party or the second party, wherein the third account is a stored value account, the third account receiving credits from the first account and debits from the second account, wherein the store value account holds stored value funds;" "if the payee identification received from the second party is the same as the payment information, initiating a second transfer from the third account to the second account, wherein initiating the second transfer occurs before the first transfer has cleared;" and "receiving payee information from the second party, the payee information including the payee identification." See *Office Action*, p. 4. For this reason alone, the Examiner has not presented a *prima facie* case of obviousness.

Further, the Examiner has made contradictory statements in the rejection. The Examiner states that Rosen does not teach "providing a third account." *Office Action*, p. 4. However, the Examiner does state that Rosen teaches "initiating a first transfer between the first account and a third account." *Office Action*, p. 4 (*emphasis added*). This contention is illogical. If Rosen does not teach the third account, how can Rosen teach a transfer between a first account and a third account? As such, the Examiner has not provided a *prima facie* case of obviousness because the cited reference can not teach the claim element.

Inherency:

The Examiner has also stated that “receiving notification that the first transfer has cleared . . . is implicit in Rosen.” *Office Action*, p. 4. Thus, the Examiner has stated that Rosen describes this element of the claims “inherently.” Indeed, the Examiner’s argument appears to be summed up in the idea that if Rosen includes a description of the fund transfers, then Rosen inherently discloses notifying parties of those transfers. This assertion is *non sequitur* and the Applicants will explain.

Applicants first wish to draw the Examiner’s attention to MPEP § 2112 where it states:

The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art); *In re Oelrich*, 666 F.2d 578, 581-82, 212 USPQ 323, 326 (CCPA 1981). “To establish inherency, the extrinsic evidence ‘must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.’ ”

In re Robertson, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999).

Further, MPEP § 2112 states that “‘In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.’ *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original) . . .”

If Rosen were to inherently describe the elements of the claims, it must be apparent that the notification of the funds transfer must have been done by the system of Rosen. This is not apparent because the notifications need not be sent at all. Indeed, there is no need to send a notification. The consumer can simply look at an account balance to determine if the transfer has occurred. This example is only one of many different ways that the system can show

the transfer occurred without sending or receiving a notification. As such, Rosen cannot inherently teach the claim element just because Rosen describes funds transfers.

Missing Limitation: "the third account"

All claims require provision of a third account. The third account is not associated with either the first party or the second party, is a temporary stored value fund, and receives credits from the first account and debits from the second account. Neither Rosen nor Kolling provide a similar third account. Rosen provides two (2) money modules that store and transfer money. *See Rosen*, Fig. 1, col. 4, lines 14-16 ("*The money modules contemplated herein are tamper-proof devices capable of storing and transferring electronic money.*") (*emphasis added*). Rosen does not provide a single account. Further, the money modules are associated with a party. *See Rosen*, col. 4, lines 25-27 ("Conceptually, a trusted agent is a surrogate actor for an entity who wants to transact remotely (electronically) in a secure way."). As such, Rosen simply does not describe a third account.

Kolling does not overcome the deficiencies found in Rosen. Kolling provides several accounts related to the parties. *See Kolling*, Fig. 6, col. 18, line 63 -- col. 19, line 5 ("Settlement Bank 128 is shown with four accounts: a settlement account 154 for Bank C, a settlement account 155 for Bank B, a settlement account 152 for the payment network, and a settlement account 156 representing settlement accounts for other banks besides Bank C and Bank B. Settlement Bank 128 is shown coupled to settlement subsystem 104 to accept transfer orders 130, which would then result in transfers of funds between accounts 152, 154, 155 and other accounts for other banks 156."). Kolling does not describe a single third account not associated with the parties. As such, Kolling also does not describe the third account.

The Examiner has stated that Kolling "discloses transfer of funds to or through any other party connected to the network." *Office Action*, p. 5. This disclosure does not say that transfers can be through other types of accounts. The Examiner is misconstruing the reference with this recitation. The Examiner goes on to claim that the ordinary practitioner would have seen it as obvious to transfer funds through a stored value account. *See Office Action*, p. 5. Again, the Examiner appears to be surreptitiously rejecting the claim under Official

Notice. The Applicants would appreciate the Examiner stating that the claim is being rejected under Official Notice without having to infer that intention. Regardless, rejecting this element using Official Notice is improper for the following reasons.

Applicants submit that the Examiner has improperly taken Official Notice. To properly take Official Notice, the Examiner must meet certain threshold tests before invoking an Applicant's requirement to respond to the Official Notice. Indeed, the Examiner must first show that 1) the fact is of the type that can be noticed; 2) the other references of record supported the notified fact; and 3) nothing of record contradicts the notified fact. *See* MPEP § 2144.03. Then, the Examiner must explicitly state the basis for Official Notice. *See* MPEP § 2144.03. If and only if these threshold tests are met is the Applicants' duty to respond invoked. Examiner has failed to meet the threshold tests to take Official Notice.

1) The subject matter of the claim 1 is not the type to which an Examiner can apply Official Notice

M.P.E.P. § 2144.03 states:

In certain circumstances where appropriate, an examiner may take official notice of facts not in the record or rely on "common knowledge" in making a rejection, however such rejections should be judiciously applied. (Emphasis added).

The taking of Official Notice, without supporting documentation, should be a rare occurrence and should only be taken in some limited circumstances. Indeed, "conclusory statements . . . do not fulfill the agency's obligation." *Lee*, 277 F.3d at 1344. "[D]efficiencies of the cited references cannot be remedied by . . . general conclusions about what is 'basic knowledge' of 'common sense.'" *Id.* "Common knowledge and common sense,' even if assumed to derive from the agency's expertise, do not substitute for authority when the law requires authority." *Id.*

Furthermore, M.P.E.P. § 2144.03 states that "[i]t is never appropriate to rely solely on 'common knowledge' in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based." *See also In re Ahlert*, 424 F.2d 1088, 1092 (C.C.P.A. 1970). Indeed, the Examiner must provide some proof of the asserted fact. The standard of proof for the Examiner to assert a fact is the substantial evidence standard. *See Lee*, 277 F.3d at 1344. M.P.E.P. § 2144.03 further states:

The standard of review applied to findings of fact is the "substantial evidence" standard under the Administrative Procedure Act (APA). See *In re Gartside*, 203 F.3d 1305, 1315, 53 USPQ2d 1769, 1775 (Fed. Cir. 2000). See also MPEP § 1216.01. In light of recent Federal Circuit decisions as discussed below and the substantial evidence standard of review now applied to USPTO Board decisions, the following guidance is provided in order to assist the examiners in determining when it is appropriate to take official notice of facts without supporting documentary evidence or to rely on common knowledge in the art in making a rejection, and if such official notice is taken, what evidence is necessary to support the examiner's conclusion of common knowledge in the art. (Emphasis added).

The type of fact that can be noticed must be the type that is capable of instant and unquestionable demonstration as being well-known. M.P.E.P. § 2144.03(A), states:

Official notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances. Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. (Emphasis added). See also *In re Beasley*, 117 Fed. Appx. 739, 744 (Fed. Cir. 2004) (citing *In re Ahlert*, 424 F.2d 1088, 1091 (CCPA 1970)).

Applicants submit that using a stored value account as an intermediary account is a fact that is not capable of instant and unquestionable demonstration. First, this material is not the type of fact that follows from common sense (e.g., increasing a burner flame creates more heat). Second, this material is not something that can be easily determined (e.g., the time the sun rose on a certain day). Third, it is unclear that stored value accounts were known at the filing of the application. The knowledge in the art could only be ascertained from a search of the prior art. As such, this type of element is not the type that could be instantly demonstrated as well-known. Hence, Applicants respectfully submit that the Examiner is required to produce documentary evidence to support the position of taking Official Notice.

2) The Examiner has not shown that the cited references support the taking of Official Notice

Official Notice may be "found necessary to take notice of facts which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify or explain

a particular inference to be drawn from the reference teachings.” *Ahlert*, 424 F.2d at 1092 (*emphasis added*). The Examiner cannot rely on the Official Notice as “the principle evidence upon which a rejection [is] based.” *Id.* Thus, Official Notice can be taken only where there is support in the other cited references. M.P.E.P. § 2144.03(B) states:

In certain older cases, official notice has been taken of a fact that is asserted to be “common knowledge” without specific reliance on documentary evidence where the fact noticed was readily verifiable, such as when other references of record supported the noticed fact . . .

This requirement stems from the rule that the Patent Office indicate the origins for stating something is “well known.” *See Beasley*, 117 Fed. Appx. at 743. Thus, the Examiner must show that the other references support the taking of Official Notice.

3) The Examiner must show that the cited references do not contradict the taking of Official Notice

M.P.E.P. § 2144.03(B) states:

In certain older cases, official notice has been taken of a fact that is asserted to be “common knowledge” without specific reliance on documentary evidence where the fact noticed was readily verifiable, such as when other references of record supported the noticed fact, or where there was nothing of record to contradict it.

Thus, the Examiner must show that the other references do not contradict the taking of Official Notice.

4) The Examiner has not provided an explicit bases for the taking of Official Notice

Rejections by the Examiner cannot rely on “conclusory statements of generalized advantages and convenient assumptions about skilled artisans.” *Beasley*, 177 Fed. Appx. at 744. “[A] factual question . . . cannot be [based] on ‘subjective belief and unknown authority.’” *Id.* Rather, “[w]hen a rejection is based on facts within the personal knowledge of the examiner, *the data should be stated as specifically as possible . . .*” *Id.* (*emphasis in the original*). MPEP § 2144.03(B) states:

The applicant should be presented with the explicit basis on which the examiner regards the matter as subject to official notice so as to adequately traverse the

rejection in the next reply after the Office action in which the common knowledge statement was made. (Emphasis added).

Thus, the Examiner must state precisely why something was known in the art.

5) Using stored value accounts as intermediary accounts is not well known

Since the Examiner has failed to meet the threshold requirements for taking Official Notice, Applicants are not required to respond. "Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to the particular art should be supported and the [applicant] similarly given the opportunity to make a challenge.." *Ahlert*, 424 F.2d at 1092. M.P.E.P. § 2144.03(C) states:

To adequately traverse such a finding, an applicant must *specifically point out the supposed errors in the examiner's action*, which would include *stating why the noticed fact is not considered to be common knowledge or well-known in the art*. (Emphasis added).

Applicants believe that the use of stored value accounts as intermediary accounts was not well known. Indeed, neither of the references cited by the Examiner mention stored value accounts. Thus, all present evidence is to the contrary that using stored value accounts as intermediary accounts was well known in this particular art.

Applicants submit that the errors in the Office Action have been specifically pointed out (see above comments), and that specific reasons why the notified fact is not common knowledge have also been provided. Accordingly, Applicants respectfully request that the Examiner support the finding with adequate evidence as required by M.P.E.P. § 2144.03(C), or that the Official Notice be withdrawn.

6) Applicants request affidavits from the Examiner

Having noted the deficiency in the Examiner's Official Notice and so as not to waive any rights, the Applicants assert that the Examiner consequently is using personal knowledge in taking Official Notice. Therefore, Applicants request a first affidavit from the Examiner in conformance with 37 CFR 1.104 to support the Examiner's assertion that the material of claim 1 was well known. Affidavits have not been provided. Applicants are entitled to such Affidavits upon request in conformance with 37 CFR 1.104 and M.P.E.P. § 2144.03.

Therefore, in view of the Examiner's failure to provide such Affidavits, the Office has failed to establish a *prima facie* case of unpatentability.

The request for an Affidavit from the Examiner is appropriate to support the multiple assertions of Official Notice that were taken in the Office Action. Official Notice was taken without referring the Applicants to any well-known text or references. Applicants have properly taken issue with the Examiner's assertion of Official Notice by noting that the Examiner has not relied upon references that are "old" or "well-known" or "standards" in the pertinent art in order to support the taking of Official Notice. Rather, no reference has been cited in support of the official notice. The MPEP is quite clear that use of such references must be old and standard references. See, e.g., M.P.E.P. § 2144.03 where it cites *In re Ahlert* for the proposition that "assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. *Ahlert*, 424 F.2d at 1091.

Missing Limitation: "initiating a second transfer from the third account to the second account, wherein initiating the second transfer occurs before the first transfer has cleared"

Claim 1 requires "initiating a second transfer from the third account to the second account, wherein initiating the second transfer occurs before the first transfer has cleared." The Office Action states that this claim element would have been obvious because "a practitioner would have known how the various ways of funds transactions work when bill pay services are involved." *Office Action*, p. 5. Again, the Examiner is rejecting the claim element apparently through the use of Official Notice. This rejection suffers the same faults as those mentioned above.

The Applicants again assert that the Examiner is using personal knowledge in taking Official Notice. Therefore, Applicants request a second affidavit from the Examiner in conformance with 37 CFR 1.104 to support the Examiner's assertion that this material and other material related to this claim element of claim 1 was well known. Affidavits have not been provided. Applicants are entitled to such Affidavits upon request in conformance with 37 CFR

1.104 and M.P.E.P. § 2144.03. Therefore, in view of the Examiner's failure to provide such Affidavits, the Office has failed to establish a *prima facie* case of unpatentability.

Claims 12 and 20:

Independent claims 12 and 20 include similar claim elements as allowable claim 1. Thus, for reasons similar to those mentioned with regard to claim 1, claims 12 and 20 are also allowable over the cited prior art.

Further, with regard to claim 20, the Applicants again assert that the Examiner is using personal knowledge in taking Official Notice. Therefore, Applicants request a third affidavit from the Examiner in conformance with 37 CFR 1.104 to support the Examiner's assertion that the material and other material related to these claims was well known. Affidavits have not been provided. Applicants are entitled to such Affidavits upon request in conformance with 37 CFR 1.104 and M.P.E.P. § 2144.03. Therefore, in view of the Examiner's failure to provide such Affidavits, the Office has failed to establish a *prima facie* case of unpatentability.

Claims 2-10, 13-18 and 21-22:

Claims 2-10, 13-18 and 21-22 all depend, either directly or indirectly, from allowable independent claims 1, 12 or 20. Thus, claims 2-10, 13-18 and 21-22 are all allowable over the cited prior art due, at least, to this dependence on an allowable base claim.

Further, with regard to claims 2-3, the Applicants again assert that the Examiner is using personal knowledge in taking Official Notice. Therefore, Applicants request fourth and fifth affidavits from the Examiner in conformance with 37 CFR 1.104 to support the Examiner's assertion that the material and other material related to these claims was well known. Affidavits have not been provided. Applicants are entitled to such Affidavits upon request in conformance with 37 CFR 1.104 and M.P.E.P. § 2144.03. Therefore, in view of the Examiner's failure to provide such Affidavits, the Office has failed to establish a *prima facie* case of unpatentability.

And, with regard to claim 6, the Examiner has also stated that "Culling is implicit." *Office Action*, p. 8. Thus, the Examiner has stated that Kolling describes this element of the claims "inherently." Indeed, the Examiner's argument appears to be summed up in the

idea that if Kolling includes a description of determining acceptable types of accounts, then Kolling inherently discloses culling those accounts for presentment. This assertion is *non sequitur* and the Applicants will explain.

Applicants first wish to draw the Examiner's attention to MPEP § 2112 where it states:

The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art); *In re Oelrich*, 666 F.2d 578, 581-82, 212 USPQ 323, 326 (CCPA 1981). "To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.' "

In re Robertson, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999).

Further, MPEP § 2112 states that "'In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.' *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original) . . ."

If Kolling were to inherently describe the elements of the claims, it must be apparent that culling the accounts must have been done by the system of Kolling. This is not apparent because culling need not be done at all. Indeed, there is no need to cull the account down to only those that are acceptable. The system could provide all accounts and simply highlight those that are acceptable. For example, the system may highlight the acceptable accounts with a color shading and leave the unacceptable accounts without shading. This example is only one of many different ways the system can show acceptable accounts without culling. As such, Kolling cannot inherently teach the claim element just because Kolling may allegedly describe determining acceptable accounts.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested. Applicants do not acquiesce to any argument not specifically addressed herein. Rather, Applicants believe the present amendments and argument overcome all rejections.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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